

110TH CONGRESS  
1ST SESSION

# S. 588

To amend title XVIII of the Social Security Act to increase the Medicare caps on graduate medical education positions for States with a shortage of residents.

---

## IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2007

Mr. NELSON of Florida (for himself, Mr. REID, and Mr. BIDEN) introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend title XVIII of the Social Security Act to increase the Medicare caps on graduate medical education positions for States with a shortage of residents.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Resident Physician  
5       Shortage Reduction Act of 2007”.

1 **SEC. 2. INCREASING THE MEDICARE CAPS ON GRADUATE**  
 2 **MEDICAL EDUCATION POSITIONS FOR**  
 3 **STATES WITH A SHORTAGE OF RESIDENTS.**

4 (a) DIRECT GRADUATE MEDICAL EDUCATION.—Sec-  
 5 tion 1886(h)(4)(F) of the Social Security Act (42 U.S.C.  
 6 1395ww(h)(4)(F)) is amended—

7 (1) in clause (i), by inserting “clause (iii) and”  
 8 after “subject to”; and

9 (2) by adding at the end the following new  
 10 clause:

11 “(iii) INCREASE IN CAPS ON GRAD-  
 12 UATE MEDICAL EDUCATION POSITIONS FOR  
 13 STATES WITH A SHORTAGE OF RESI-  
 14 DENTS.—

15 “(I) IN GENERAL.—For cost re-  
 16 porting periods beginning on or after  
 17 the date that is 16 months after the  
 18 date of enactment of the Resident  
 19 Physician Shortage Reduction Act of  
 20 2007, the Secretary shall increase the  
 21 otherwise applicable limit on the total  
 22 number of full-time equivalent resi-  
 23 dents in the field of allopathic or os-  
 24 teopathic medicine determined under  
 25 clause (i) with respect to a qualifying  
 26 hospital in an eligible State by an

1 amount determined appropriate by the  
 2 Secretary. Such increase shall be  
 3 phased-in over a period of 5 cost re-  
 4 porting periods beginning with the  
 5 first cost reporting period in which  
 6 the increase is applied under the pre-  
 7 vious sentence to the hospital. For  
 8 each eligible State the aggregate num-  
 9 ber of such increases shall be—

10 “(aa) not less than 15; and

11 “(bb) not greater than the  
 12 State resident cap increase.

13 “(II) QUALIFYING HOSPITAL.—

14 In this clause, the term ‘qualifying  
 15 hospital’ means a hospital located in  
 16 an eligible State that the Secretary  
 17 determines should receive an increase  
 18 under this clause in the otherwise ap-  
 19 plicable limit on the total number of  
 20 full-time equivalent residents in the  
 21 field of allopathic or osteopathic medi-  
 22 cine.

23 “(III) ELIGIBLE STATE.—In this  
 24 clause, the term ‘eligible State’ means  
 25 a State for which the National median

1 medical resident ratio exceeds the  
2 State medical resident ratio.

3 “(IV) STATE RESIDENT CAP IN-  
4 CREASE.—In this clause, the term  
5 ‘State resident cap increase’ means,  
6 with respect to a State,  $\frac{1}{4}$  of the  
7 product of—

8 “(aa) the difference between  
9 the National median medical resi-  
10 dent ratio and the State medical  
11 resident ratio; and

12 “(bb) the State population  
13 (as determined for purposes of  
14 subclause (VI)).

15 “(V) NATIONAL MEDIAN MED-  
16 ICAL RESIDENT RATIO.—In this  
17 clause, the term ‘National median  
18 medical resident ratio’ means the me-  
19 dian of all State medical resident ra-  
20 tios.

21 “(VI) STATE MEDICAL RESIDENT  
22 RATIO.—In this clause, the term  
23 ‘State medical resident ratio’ means,  
24 with respect to any State, the ratio of  
25 full-time equivalent residents in the

1 State in approved medical residency  
2 training programs as of the date of  
3 enactment of the Resident Physician  
4 Shortage Reduction Act of 2007 to  
5 the population of the State as of such  
6 date, as determined by the Secretary.

7 “(VII) STATE.—In this clause,  
8 the term ‘State’ means a State and  
9 the District of Columbia.

10 “(VIII) CONSIDERATIONS IN DE-  
11 TERMINING RESIDENT CAP IN-  
12 CREASES.—In determining whether a  
13 hospital is a qualifying hospital, and  
14 how much of an increase in the resi-  
15 dent cap a qualifying hospital shall re-  
16 ceive under subclause (I), the Sec-  
17 retary shall take into consideration  
18 the demonstrated likelihood of the  
19 hospital filling resident positions that  
20 would be made available as a result of  
21 such increase within the first 3 cost  
22 reporting periods beginning on or  
23 after the date that is 16 months after  
24 the date of enactment of the Resident  
25 Physician Shortage Reduction Act of

1                   2007. The Secretary shall also take  
2                   into consideration whether the new  
3                   resident positions will be in primary  
4                   care, preventive medicine, or geriatrics  
5                   programs.”.

6           (b)   INDIRECT   MEDICAL   EDUCATION.—Section  
7 1886(d)(5)(B) of the Social Security Act (42 U.S.C.  
8 1395ww(d)(5)(B)) is amended by adding at the end the  
9 following new clause:

10                   “(x) Clause (iii) of subsection (h)(4)(F) shall  
11                   apply to clause (v) in the same manner and for the  
12                   same period as such clause (iii) applies to clause (i)  
13                   of such subsection.”.

○